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C O N F I D E N T I A L SECTION 01 OF 02 MANAGUA 002207

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DEPT FOR WHA/CEN, NSC FOR V. ALVARADO

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SUBJECT: CITIZEN COUNCILS - FULL STEAM AHEAD?

REF: A. MANAGUA 2185

[1](#)B. MANAGUA 2043

[1](#)C. MANAGUA 1944

[1](#)D. MANAGUA 1783

Classified By: Ambassador Paul Trivelli for reasons 1.4(b,d)

[1](#)1. (C) SUMMARY: In a September 20 meeting, Citizens' Power Councils (CPCs) Managua coordinator Eliaz Chevez asserted the National Assembly's (NA) vote to remove authorization for the executive to create such entities from Law 290 is "not substantial" and that the CPCs will "continue to move forward." Despite this claim, Chevez admitted that Sandinista National Liberation Front (FSLN) had yet to meet to discuss a post-vote strategy, or to set a new date to announce the formation of the CPC national cabinet, originally scheduled for September 14. According to Chevez, all CPCs -- from the department (state) down to the neighborhood level -- have been formed and the CPCs are actively working in communities "without resistance." The longer-term impact of the NA's vote on the CPCs is unclear, but if the government is unable to channel official programs and funding through the CPCs due to the change in law, this legal rollback could erode individual incentive and participation over time. Ortega has announced his intention to veto the NA's reform of the law. END SUMMARY.

CPCs - "Business as Usual"

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[1](#)2. (SBU) Despite the National Assembly's recent vote to curb the official power of the President Daniel Ortega's CPCs by striking language from Law 290 (reftel B), Managua CPC coordinator Elias Chevez assured us in private that the change is "not substantial" and the CPCs will "continue to move forward." However, Chevez noted that the FSLN leadership still has not met as a group to develop a response strategy. Chevez commented that the leadership is considering several options, including "trying" to have the reform declared unconstitutional for restricting citizens' rights to organize and express themselves. (COMMENT: On September 24, before departing to the U.S. to participate in the UN General Assembly, President Ortega announced that he would partially veto the NA's proposed reform to Law 290. During his remarks, Ortega accused the NA of contradicting the purpose entrusted to it by the Nicaraguan people by overturning legislation that would "permit the integration of citizens into the Power of the State." While Chevez had indicated that senior FSLN leadership was evaluating its options, he did not appear distressed by the NA's vote and

gave no indication that a presidential decision was imminent.
END COMMENT.)

¶3. (SBU) Given the general level of discomfort with the CPCs within Nicaraguan society, we asked Chevez if the CPCs have encountered increased resistance from state-sponsored service providers (schools, clinics, hospitals, etc.) since the NA vote. Chevez responded that "in practical terms, nothing has changed," citing examples where CPCs had recently participated in a forum on public safety and would shortly conduct anti-dengue joint operations with the Ministry of Health.

Awaiting "Opportune Moment" to Announce National Council
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¶4. (SBU) Like First Lady Rosario Murillo - the architect of the CPCs - Chevez blamed Hurricane Felix for Ortega and Murillo's failure to announce the much anticipated CPC National Cabinet on September 14. When asked if Ortega and Murillo had selected a new date, Chevez admitted they have not and that Ortega and Murillo are waiting for an "opportune moment" to announce the cabinet. Asked to define an opportune moment, Chevez fumbled about for several minutes, but failed to come up with cohesive answer. He did, however, insist that the CPCs are fully formed from the neighborhood to the departmental level in every department and they are ready to install the national cabinet. (COMMENT: We discount the assertion that the CPC are fully formed and functioning throughout the country. For example, in Nicaragua's Atlantic Coast Autonomous Regions, resistance to the CPCs has been fierce. As a result, CPCs have not been widely established in either region. END COMMENT)

CPC Members on Their Own
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¶5. (SBU) Chevez dismissed widespread claims that the government is financing the CPCs. He proudly insisted that, despite having no budget, they have managed to organize themselves and become a force within civil society very quickly. He remarked that the main priority now is to train and strengthen the capabilities of the members. Asked how he would do this without a budget, Chevez made vague reference to taking advantage of public events and fora to help educate his CPC members and to inject CPC opinion into public dialogue.

COMMENT
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¶6. (C) Ortega's quick decision to move forward with a veto despite the unresolved issue discussed at the Chevez meeting, may indicate that Ortega senses weakness in the opposition created by Eduardo Montealegre's legal troubles and the recent defection of ALN deputy Ramiro Silva Gutierrez (Reftel A). Ortega may believe that the ALN / Liberal Constitutional Party (PLC) block will not hold firm on a veto-override vote.

¶7. (C) If Ortega's veto stands, the administration no doubt plans to continue officially channeling government programs and funding through the CPCs -- such as Zero Hunger (Reftel C,D) -- giving the individual CPC members power and control in communities, and giving the party greater control at the grassroots level. If the NA overrides the veto, the CPC members, robbed of program control and funding, as Chevez stated, will largely be left to their own devices to both train themselves and to devise ways to help in their communities (unless of course a friendly foreign power fills the gap.) Such a legal rollback could erode commitment and cause members to abandon the CPCs over time.

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